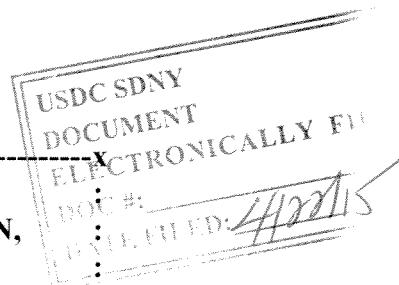


UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,



Plaintiff,	:	12 Civ. 8439 (VB)
	:	ECF CASE
-against-		
STEPHEN A. COLANGELO, JR.,	:	
Defendant.		
	:	
	:	

x

Proposed Default Judgment as to Stephen A. Colangelo, Jr.

Plaintiff Securities and Exchange Commission (“Commission”), having commenced this action on November 19, 2012 by filing its Complaint (“Complaint”) charging defendant Stephen A. Colangelo, Jr. (“Colangelo”) with violations of Section 17(a) of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77q(a)]; Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. § 78j(b)], and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]; and Sections 206(1), 206(2) and 206(4) of the Investment Advisers Act of 1940 (“Advisers Act”) [15 U.S.C. §§ 80b-6(1), 80b-6(2), and 80b-6(4)] and Rule 206(4)-8 thereunder [17 C.F.R. § 275.206(4)-8]; a copy of the summons and Complaint having been personally served on Colangelo on February 19, 2013; and Colangelo having failed to answer, plead, or otherwise defend himself in this action, pursuant to Federal Rule of Civil Procedure 55(b)(2) and Rule 55.2(b) of the Local Rules of the United States District Courts for the Southern and Eastern Districts of New York:

**I.**

IT IS HEREBY ORDERED that the Commission’s motion by order to show cause for entry of a default judgment as to defendant Colangelo is granted.

**II.**

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Colangelo, and Colangelo's agents, servants, employees, attorneys and all persons in active concert or participation with him who receive actual notice of this Default Judgment by personal service or otherwise, are permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the "Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- (c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

**III.**

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Colangelo, and Colangelo's agents, servants, employees, attorneys and all persons in active concert or participation with him who receive actual notice of this Default Judgment by personal service or otherwise, are permanently restrained and enjoined from violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- (c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

**IV.**

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Colangelo, and Colangelo's agents, servants, employees, attorneys and all persons in active concert or participation with him who receive actual notice of this Final Judgment by personal service or otherwise, are permanently restrained and enjoined from violating Sections 206(1), 206(2) and 206(4) of the Advisers Act [15 U.S.C. §§ 80b-6(1), 80b-6(2), and 80b-6(4)] and Rule 206(4)-8 thereunder [17 C.F.R. § 275.206(4)-8], by using the mails or any means or instrumentality of interstate commerce:

- (a) to employ any device, scheme or artifice to defraud any client or prospective client;
- (b) to engage in any transaction, practice or course of business which operates as a fraud or deceit upon any client or prospective client; or
- (c) to engage in any act, practice, or course of business which is fraudulent, deceptive or manipulative.

v.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

Dated: White Plains  
New York, New York  
April 22, 2015

So Ordered:  
Paul J. M.  
U.S.D.J.